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# **DEPARTMENT OF EMPLOYMENT SERVICES**

## ***Public Roundtable Hearing on Unemployment Issues in the District of Columbia***



Testimony of Joseph P. Walsh  
Acting Director  
Department of Employment Services

**Adrian M. Fenty**  
Mayor

**COMMITTEE ON HOUSING & WORKFORCE DEVELOPMENT**  
**Honorable Councilmember Marion Barry, Chairman**

**Wednesday, February 11, 2009**

**11:00 a.m.**

**Room 412  
Council Chamber  
John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Washington, DC 20004-3003**

Good afternoon Chairperson Barry, Councilmembers, and staff of the Committee on Housing & Workforce Development. I am Joseph Walsh, Acting Director of the Department of Employment Services, the city's lead labor and workforce development agency. I am here today to testify at this roundtable on the unemployment issues in the District of Columbia.

I'd like to thank you for this invitation to testify, and also thank all those who testified earlier today. We clearly see here today that the District has a tremendous network of advocates and providers who care deeply about employment in the city. And we've had a chance to hear from some of the real people behind the statistics we see everyday, and know more about their struggles to succeed.

We meet today at a time of unprecedented national economic difficulty nationally. Economists rarely agree on anything, but they all agree this is the worst economic situation in generations, perhaps since the Great Depression. Like the rest of the nation, there are thousands of people in the District who are suffering and struggling to make ends meet after losing their jobs, and thousands more who are fearful that they could be next.

Since beginning my tenure as acting director of the DC Department of Employment Services I have told our staff that I truly believe that right now our agency has the most important mission in District Government – at this moment, we need to be providing the basic services people depend on to live as well as developing the long-term programs and strategies that will create a pathway that will lead to job readiness and a new job or educational opportunity. To do that, it is a time for new thinking and new approaches. We cannot do the same old things and expect different results. And I've told our staff at DOES that we have to act with a greater sense of urgency than ever before because so many people are counting on us right now.

The information we have learned from this hearing will have made clear far better than most of us could the difficulties that people face and the challenges we have as a Government to respond to them. But let me also share a few statistics with you to give you all a clear sense of the scope of the unemployment situation in Washington, D.C.

- The District's unemployment rate is now at a seasonally adjusted 8.8%. That's up from 8.0% just last month – and up from 5.7% one

year ago.

- 29,100 District residents are unemployed, up from 18,600 one year ago.
- There were 4,686 new and continued unemployment claims in the first week of January last year – there were 7,289 at the same time this year.
- What I think is perhaps most telling is that the duration of unemployment claims is getting longer: the average duration for someone on regular unemployment is 25 weeks – up from the typical average of 19 weeks, and just one week shy of the max. That tells us people are finding it harder and harder to get their next job once they are unemployed.
- Finally we know that unemployment in the District varies widely throughout the city. Wards 5, 7, and 8 all have double digit unemployment rates – as Councilmember Barry noted in his opening remarks – Ward 8 has the highest at nearly 20%, a number I believe is

actually higher in reality, considering the large number of those who become discouraged during times of high unemployment and completely fall out of the labor market.

Unemployment also varies by age. One number I watch closely is teen unemployment. The latest annual number for the District was nearly 30% of those 16-19 year olds who were in the labor market were unemployed – that is double the national average.

This sudden and unprecedented increase in unemployment has put tremendous strain on our service delivery systems. For example:

- Our Unemployment phone lines received 49,956 UI related calls in December – up from less than 30,000 a year earlier.
- Our One Stop Career Centers were visited by 45,363 customers in 2008 – up from 26,290 the year before.

This has often created unacceptable delays in being able to provide basic services to those who are unemployed and seeking work. Our telephone

lines are maxed out and too many residents get a busy signal when they call to file a claim – and although 85% of claims are made via the web, we still need to improve phone line services for those who depend on the telephone to file. Our One Stop Centers are also seeing increased demand because of this.

Now I want to be clear that this is truly a national phenomenon. I am sure you have seen the news reports about other states struggling to keep up with demand: New York's unemployment phone system completely collapsed recently; New Jersey's governor publicly announced that his state's unemployment office couldn't keep up with the demand; two Southern states recently had their unemployment websites crash from high volume. And as many of you know, I most recently worked in Massachusetts for Governor Deval Patrick's Executive Office of Labor and Workforce Development. I served as director of Policy and Planning and prior to that served briefly as the policy and operations advisor for the state's Division of Unemployment Assistance. We started putting together contingency plans for increased demand back in July, when the second UI Extension was announced – and unfortunately a recent new story indicated that even with all the advance

planning the system in Massachusetts is still overloaded, with many people receiving busy signals at peak times.

But the fact that this is happening nationally doesn't help those residents of the District who need help now. So I have been working with my management team and staff since I began a few weeks ago to develop plans to respond to this economic crisis in two ways – (1) Immediate improvements to our basic services and (2) Longer-term plans to improve worker readiness, education opportunities and re-employment.

### **Immediate Improvements in Basic Services:**

Let me first address our basic services – unemployment compensation and our One Stop Career Centers. We are experiencing delays at our unemployment phone lines and offices, our One Stop centers are underperforming and now overloaded. Worse, many of these facilities are inadequate and have equipment in poor condition. Our customer service is in need of complete overhaul – a combination of needing to train our staff and set high expectations for service, and also to recognize that staff are simply stressed and overwhelmed by the volume of customers.

I am not satisfied with this. And I am committed to fixing it. I meet with a team of managers now every day for an hour with no other agenda other than working to solve these problems. It has been all hands on deck to identify the technology, and human resources, we need to put in place to address these immediate concerns

**Longer-Term Efforts:**

Finally I want to outline some other efforts that will take some time but we are beginning to work on right now. I have an overall goal to refocus the agency on workforce development. I am fond of saying that workforce development is economic development. It is essential to the future economic growth of the District, and to providing hope and opportunity to individuals.

A few of the key strategies, reforms, and tools we will now be pursuing include:

- **Preparing for the stimulus:**

At this point the federal stimulus bill is unfinished, but we are preparing to be able to quickly deploy the funds we anticipate receiving from Workforce Investment Act (WIA) funds for adult and



dislocated workers. I have organized my team to identify the workforce version of “shovel-ready” projects to support. We need to ensure that adult training opportunities are ready to go.

- **Developing a Sector Strategy for our investment of training dollars:**

Broadly, this means that we will use our labor market information data to identify those sectors that are still adding jobs, such as Health Care those, such as Green Jobs, that will be growing in the near future, to focus our job training efforts in those growth areas – so we are training people for jobs of the future, not the jobs that have disappeared and may not coming back.

This sector strategy is part of a broader effort to become a data-driven 21<sup>st</sup> century workforce agency, one focused on outcomes rather than enrollments and inputs.

- **Enhancing our Rapid Response concept:**

Broadly, Rapid Response is a narrow federal program that funds our efforts to proactively go to a company that files a WARN notice

(from the Worker Adjustment and Retraining Notification Act) prior to laying off workers. This protection only applies to employers with 50 or more employees. In Washington, DC, we may not see a mass layoff in one company but we may large layoffs in an industry, like construction or hospitality or the federal government. I'd like to expand this Rapid Response concept so our services under this program can focus on sectors and industries – not just individual companies – that we know are in decline in large numbers and proactively reach out to those workers with services before a layoff occurs.

- **Developing programs for returning ex-offenders:**

Last week Mayor Fenty opened the new Re-employment Center in the DC Jail, meeting with nearly 30 residents who are nearing their release date and are enrolled in an intensive five week job skills and readiness program – essentially a One Stop Center behind the jail walls. The second class will graduate on Friday, and we will have 5 classes throughout the year. We will enhance the services we provide these individuals in this new program by providing extended “wrap around” services coordinated through our One Stop Career Centers to

provide not only job counseling services, but assistance with homelessness, substance abuse and other programs these ex-offenders have asked us for, and which are too often barriers to their opportunities for a second chance – a new job or educational opportunity.

- **Invest in ABE/ESOL**

We plan to make investments in Adult Basic Education and in English for Speakers of Other Languages to help close the skills gap between what skills some of our residents have now and what they will need for a new or better job.

- **Coordinating our services better:**

We are working to coordinate our internal operations better so that the services we provide are better organized to serve our customers.

One quick example are Job Developers: At DOES now, virtually every unit has its own job developer staff, going out to look for new job opportunities for our customers. We will start to coordinate that effort to have one shared team and maximize our efforts.

We are also in the process of coordinating services city-wide.

Workforce Development is much broader than just the programs DOES runs. For example, following Mayor Fenty's directive, I have been reaching out to new partners – such as the Department of Disability services, the Office on Aging and others – to invite them to be part of our One Stop System.

- **Improve the WIC:**

The Workforce Investment Council (WIC) needs to be reinvigorated and focused on core issues. Mayor Fenty has appointed a new chair, Bill Dean, and I look forward to working with him. For DC's WIC, there is always been a tension between the dual roles the WIC has as both a "State" and a "Local" board. Typically, state WIC boards provide advice to the state, and local WICs oversee programs. I am confident, however, that we can work together to focus on a few core issues and re-engage the business community through the WIC.

- **And finally, we are reaching out to the community more:**

As I said, Workforce Development is more than what the District Government does. All these solutions will certainly help but we

cannot address an economic problem of this magnitude by ourselves.

I firmly believe in order to be successful – to create more job opportunities and a world-class, highly trained workforce to match these opportunities – we must do a better job of working with education, non-profits, community based groups, local and national policy leaders here in Washington, the Council of the District of Columbia, the business community and a reinvigorated Workforce Investment Council.

As I tell my staff all the time, the only way this works is if we are all working together right now with a common purpose. The days of separate agendas and disconnected programs must be over, for the sake of the people who need to serve. Separately we will not be able to solve these problems, but together, we can find the solutions and help those people who right now most need our help.

Thank you Councilmember Barry and members of the committee. I would be happy to respond to any questions you may have.